(d) whether any Central Team has been sent to the State and if so, whether the team has submitted its report; and

(e) the amount, if any, released to the State in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA): (a) to (e) According to India Meteorological Department (IMD), 6 out of 27 meteorological districts in Karnataka received deficient rainfall during South-West Monsoon 2004 (1.6.2004 to 30.9.2004). The State Government has declared 80 out of 176 taluks as drought affected during the current year after July, 2004.

In response to the Memorandum seeking assistance from National Calamity Contingency Fund (NCCF) and foodgrains for relief employment from the Special Component of Sampoorna Grameen Rozgar Yojana (SGRY), an Inter-Ministerial Central Team visited the State for assessment of the situation. On its recommendations, the High Level Commitee (HLC) has approved Rs. 83.67 crores from NCCF, subject to adjustment of balance available in the Calamity Relief Fund (CRF) of the State and 1.14 lakh MTs of foodgrains free of cost, under the Special Component of Sampoorna Grameen Rozgar Yojana (SGRY), for relief employment works. The value of the foodgrains exceeds Rs. 1.30 crores. The entire Central share of CRF for 2004-05 amount to Rs. 67.98 crores has also been released to the State.

MSP for cotton

471. SHRI RAJU PARMAR: Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Minimum Support Price (MSP) announced by the Cotton Corporation of India (CCI) for cotton is remunerative for the farmers;

(b) if so, the details thereof and the details of the mechanism to work out the MSP;

(c) whether the MSP is reviewed periodically and if so, the details thereof; and

(d) whether farmers in the cotton growing areas are taken into confidence while determining the MSP and if not, the reasons therefor?

THE MINISTER OF STATE IN THE. MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA): (a) and (b) The main objective of price policy for agricultural produce is to ensure remunerative prices to the growers for their produce. The Government decides on the MSPs for various agricultural commodities, including cotton, taking into account the recommendations of Commission for Agricultural Costs and Prices (CACP), the views of State Governments and concerned Central Ministries as well as such other relevant factors, which in the opinion of the Government, are important for fixation of MSPs. The MSPs are uniform throughout the country. In addition to cost of production, CACP considers several other relevant factors like trends in production and productivity of different crops across States, demand-supply situation, price trends both at home and abroad, terms of trade between agriculture and non-agriculture sectors, need for crop diversification, resource use efficiency and food security.

The C2 cost (actual expenses incurred in cash and kind, rent for leased-in land and imputed value of wages of family labour, rent for owned land and interest on fixed capital) of production of cotton projected by the CACP for major States for 2004-05 ranges from Rs. 1455 to Rs. 2463 per quintal. The weighted average C2 cost of production works out to Rs. 2021 per quintal. Since MSPs do not necessarily exceed the weighted average C2 cost in respect of all crops/States, the price policy seeks to ensure that the A2+FL cost (actual expenses in cash and kind incurred in production 4 rent paid for leased-in land + imputed value-of family labour) is covered by MSP in high cost/less endowed States the A2+FL cost of production of cotton projected by the CACP for major States for 2004-05 Ranges from Rs. 1019 to Rs. 1773 per quintal. The weighted average A2+FL cost of production works out to Rs. 1529 per quintal. The MSP fixed for 2004-05 for F-414/H-777/J-34 (medium staple) cotton is Rs. 1760 per quintal while for H-4 (long staple) cotton it is Rs. 1960 per quintal.

(c) MSPs are announced for Kharif and Rabi crops each year. The MSPs announced in recent years are annexed as Statement (See below).

(d) in formulating its price policy recommendations, CACP holds consultations with farmers and their representatives.

Statement

Minimum support Prices for Kharifand Rabi Crops
(According to Crop Year)

(Rs. per quintal)

SI. No.	Commodity	Variety	1998-99	1999-2000	2000-01	2001-02	2002-03	Spl-Drought relief price	2003-04	2004-05	(#)increase in MSP 2004-05 over 2003-04
1	Paddy	Common	440	490	510	530	530	20	550	560	10(1.8)
		Grade'A'	470	520	540	560	560	20	580	590	10(1.7)
2	Jowar		390	415	445	485	485	5	505	515	10(2.0)
3	Bajra		390	415	445	485	485	10	505	515	10(2.0)
4	Maize		390	415	445	485	485	5	505	525	20(4.0)
5	Ragi		390	415	445	485	465	5	505	515	10(2.0)
6	Wheat		550	580	610	620	620	10	630	640	10(1.6)
7	Barley		385	430	500	500	500	5	525	540	15(2.9)
8	Gram		895	1015	1100	1200	1220	5	1400	1425	25(1.8)
9	Arhar(Tur)		960	1105	1200	1320	1320	5	1360	1390	30(2.2)
10	Moong		960	1105	1200	1320	1330	5	1370	1410	40(2.9)
11	Urad		960	1105	1200	1320	1330	5	1370	1410	40(2.9)
12	Masur (Lentil)*		-		1200	1300	1320	5	1500	1525	25(1.7)
13	Sugarcane@		52.70	56.10	59.50	62.05	69.50	-	73	74.50	1.50(2.0)
14	Cotton	F-414/H-777/J3.			1625	1675	1675	20	1725	1760	35(2.0)
		H-4	1050	1775	1825	1875	1875	20	1925	1960	35(1.8)
15	Groundnut in shell		1040	1155	1220	1340	1355	20	1400	1500	100(7.1)
16	Jute	TD-S	650	750	785	810	850	.	860	880	30(3.5)
17	Rape seed/Mustard		1000	1100	1200	1300	1330	10	1600	1700	100(6.3)
18	Sunflower Seed		1060	1155	1170	1185	1195	15	1250	1340	90(7.2)
19	Soyabeen	Black	705	755	775	795	795	10	840	900	60(7.1)
		Yellow	795	845	865	885	865	10	930	1000	70(7.5)
20	Safflower		990	1100	1200	1300	1300	5	1500	1550	50(3.3)
21	Toria		965	1065	1165	1265	1295	10	1565	1665	100(6.4)
22	Tobaeco(VFC)	Black Soil (F2 Gr)	22.50	25.00	26.00	27 00	28.00	-	31.00	32.00	1.00(3.2)
	(Ra. per kg)	Light Soil (L2 Gr)	25.50	27.00	28.00	29.00	3000	-	33.00	34.00	1.00(3.0)
23	Copra	Miling	2900	3100	3250	3300	3300	-	3320	3500	160(5.4)
	(Calender Year)	Ball	3125	3325	3500	3550	3550		3570	3750	180(5.0)
24	Seaamum		1060	1295	1300	1400	1450	5	1485	1500	15(1.0)
25	Nigerseed		850	915	1025	1100	1120	-	1155	1100	25(2.2)

@ Statutory Minimum Price (SMP) linked to a basic recovery of 8.5% with proportionate premium for every 0.1% increase in recovery above that level. The SMP for 2002-03 includes the one time drought relief of Rs. 5 per quintal recommended by CACP.

*The MSP for masur (lentil) has been fixed from the crop year 2000-01.

#Figures in brackets indicate percentage increase.